

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

NEW ENERGY CONSULTANTS &
CONTRACTORS, LLC

Debtor.

Case No. 19-05891 (ESL)

Chapter 11

**MOTION TO INFORM INTENT TO RESPOND
TO DEBTOR'S MOTION FOR CONVERSION TO CHAPTER 7 LIQUIDATION**

TO THE HONORABLE ENRIQUE S. LAMOUTTE
UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, secured creditor Parliament High Yield Fund, LLC ("Parliament"), through their respective undersigned counsel, and respectfully submit this *Motion to Inform Intent to Respond* (the "Motion to Inform") to Debtors' *Motion to Convert to Chapter 7* (the "Motion to Convert") in Docket Entry 125. In support of the Motion to Inform, Parliament respectfully states as follows:

BACKGROUND

1. On October 10, 2019 (the "Petition Date"), New Energy Consultants & Contractors, LLC ("New Energy/Debtor") filed for voluntary relief under the provisions of Chapter 11 of the Bankruptcy Code. See, Docket No. 1.

2. Prior to the Petition Date, on April 9, 2019, Parliament and the Debtor (together, the "Parties") executed a *Term Loan Agreement* (the "Credit Agreement"), pursuant to which Parliament provided a certain credit facility to New Energy in the aggregate principal amount of \$2,350,000.00 (the "Loan"). Pursuant to the Credit Agreement, the Parties executed certain other loan collateral documents, including a Security Agreement, Pledge, and Assignment (the "Security

Agreement”). As detailed in the Security Agreement and Credit Agreement, the Loan is secured by, first-priority and perfected liens over a substantial amount of Debtors’ personal property.

3. Based on the above, on October 23, 2019, the Parties promptly moved the Court to approve a stipulation for the consented use of Parliament’s cash collateral (the “Cash Collateral Stipulation”), which the Court approved on that same date. See, Docket Nos. 18, 19 20.

4. Since reaching the Cash Collateral Stipulation, the Parties have remained in good faith communications and negotiations in furtherance of reaching an agreement for the consensual repayment of the amounts owed under the Loan, as evidenced in Proof of Claim No. 36 (the “Parliament Claim”) filed on February 13, 2020. See, Claims Register, Claim No. 36.

5. At this juncture, the Parties are in the process of discussing the terms of a proposed agreement for the repayment of the Parliament Claim. Nevertheless, as of today, no agreement has been reached.

6. On July 1, 2020, the Debtor filed the Motion to Convert, which contains the fourteen (14) day objection language pursuant to L.B.R. 9013-1(c)(1). See, Docket No. 125. The fourteen (14) day period to object to the Motion to Convert expires on July 15, 2020.

7. Although Parliament continues discussions with the Debtor as to a proposed agreement for the repayment of the Parliament Claim, out of an abundance of caution, Parliament hereby informs the Court of its intent to state its position as to the Motion to Convert, reserving the right to do so on or before July 15, 2020.

WHEREFORE, Parliament respectfully requests that the Court takes notice of the foregoing.

RESPECTFULLY SUBMITTED,

In San Juan, Puerto Rico, this 9th day of July 2020.

WE HEREBY CERTIFY that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the participants in this case, including the United States Trustee.

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